

EXHIBIT H

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In the matter of:)
)
MATTHEW A. JENKINS,) Case No. 12-50413
) Charlotte, NC
Debtor.) May 14, 2012

TRANSCRIPT OF 341 MEETING OF CREDITORS

APPEARANCES:

James T. Ward, Trustee
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Matthew A. Jenkins
Pro se Debtor

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1 payments. They wanted a lump sum payment. And then the IRS,
2 after telling me that my lawsuit proceeds were not taxable,
3 then came back just recently and sent me letters that targeted
4 audit stuff that, no, these proceeds are taxable. So now I
5 owe, you know, the IRS and the state. That's the only creditor
6 issue that I have.

7 And I know that, you know, Judge Stevens' order said
8 all but - you know, I have intentionally avoided paying all of
9 my creditors, including, you know, plaintiff, Federated. Well,
10 that was based on the oral testimony of Gregory Chocklett.
11 There are no other creditors that I avoided paying. I only
12 have one creditor and that was Federated.

13 You know, there were a number of issues with that
14 order that Judge Stevens recognized was wrong, but he couldn't
15 correct them because the BK stayed the civil proceedings.

16 Q. To your knowledge, the Bankruptcy Administrator or
17 the court has not filed a notice of -

18 A. The clerk's presumed abuse notice? That was filed on
19 May 7th.

20 Q. But the B.A. hasn't filed a notice for a hearing or
21 has it? I don't see it listed here.

22 A. No. All I saw was the clerk's notice of presumed
23 abuse. All of that other nonsense that Chocklett accused me of
24 doing, depositing lawsuit proceeds in my kids' accounts and all
25 of that other garbage, no, my lawsuits proceeds were deposited

1 into my wife's account. That has been my testimony for years.
2 I don't have a bank account. That is the way we have always
3 handled our finances long before Federated ever sued us. Even
4 when I was an employee, my paycheck was being direct deposited
5 into my wife's account.

6 Q. Okay. I see the notice of presumed abuse. It was
7 filed and then you amended it. You amended something or they
8 looked at it initially and said we don't have the information
9 necessary and then subsequently you filed it?

10 A. Right, because I filed the bare-bones petition on
11 April 11th and then I had fifteen days to file all of my
12 schedules. I did my taxes on either the 14th or 17th. You have
13 a copy of my taxes and when it was filed, and then that
14 information got, you know, transposed into the schedules and
15 everything, and I filed the schedules.

16 Q. I don't see where the B.A. has picked up this thing
17 and put it before the court. It is not an automatic thing.
18 Based on a review, it gets in front of a judge but it's not an
19 automatic like it would be, you know, filing the - nothing is
20 automatic if it gets headed off. If I tell the court that I
21 don't want a case to be dismissed automatically for failure to
22 file a credit deal.

23 A. Right, the schedules are not showing up -

24 Q. Is that they will not automatically dismiss it. If
25 left alone, you know, that's an automatic dismissal. Failure

1 those?

2 A. I just know of this one change in the means test.

3 Q. Are you going to file that?

4 A. If you would like me to. Either way, I failed the
5 means exam. It just means I failed it by a greater amount. If
6 you feel it is necessary, I can - it doesn't make a difference
7 on the outcome.

8 Q. I understand. Any document you have on file with the
9 court, you know, needs to be accurate to the best of your
10 knowledge and, if you find that there is an error in it and if
11 we are going to ultimately be talking about it in any way, we
12 need to be talking about what everybody sees as being the right
13 number.

14 A. Okay.

15 Q. So if you have got an error in your petition any
16 place, then you should amend it.

17 A. (Inaudible)

18 Q. You filed a Chapter 13 petition back in 2010?

19 A. Yes. What happened was I had four different loan
20 servicers claim to be the owner of my mortgage. So I filed a
21 Chapter 13 for a couple of reasons. Because I had recently
22 been unemployed and fell behind on the home payments, so I
23 wanted to try and modify the loan, but I didn't really know who
24 actually owned it because four different lenders claimed to
25 have been the owner - Chase, Wells Fargo, HSBC and One West

1 pro se's head. You should really have counsel to do a Chapter
2 13.

3 Q. You should have counsel for Chapter 7s, too.

4 A. I didn't think that mine was going to turn into some
5 kind of complicated issue, but it has become a lot more
6 complicated.

7 Q. Why did you file?

8 A. A Chapter 7? Well, initially for a couple of
9 reasons. I mean, I had gotten notices from the IRS that I owe
10 them gobs of money in back taxes and, of course, that is going
11 to flow to the state to where now I am going to owe the state.
12 So I thought the Chapter 7 would discharge the taxes but I
13 found out after the fact that it was not going to affect them.
14 I am still going to owe the taxes. There is nothing I can do
15 about that.

16 And then also with Federated, they won't take
17 payments. They want the forty thousand dollar lump sum
18 judgment and there is no way. I can't do that. And we even
19 tried, before I filed the petition on April 11th, after the
20 hearing with Judge Stevens on April 10th, my counselor talked
21 with the attorney for Federated, not Chocklett but John Player
22 who represents him in the federal case, and tried to work out
23 a payment plan. Again for the last time, he told him, "Look,
24 if you are not willing to take payments, my client is going to
25 go down and file a Chapter 7." And he said, no, his client

1 wants a lump sum, they don't want payments, and so - I mean,
2 that's where we are at. If Federated would have taken payments
3 or was still, you know, open to taking payments, then there is
4 maybe something I could work out and there is no other
5 creditors.

6 Q. What do you perceive their options were if they
7 weren't going to take payments on it?

8 A. I know that the law doesn't impose a duty on them to
9 take payments. I mean, I can't make them take payments, they
10 are not going to do it but, you know, their attorney in state
11 court keeps filing supplemental proceedings, you know, and
12 keeps trying to hold contempt motions and have me held in
13 contempt of court and then thrown in jail. I mean, it's just
14 an ongoing thing that's been going on for, it seems like years
15 now.

16 Q. For not paying the entire amount?

17 A. For one reason or another.

18 Q. And that's what you perceive to be their - or they
19 perceive to be their option, rather than take payments, was to
20 put you in jail?

21 A. It seems like that's how they want to extract their
22 pound of flesh. I mean, look, the reality is this: There is no
23 such thing as a debtor's prison but a judge can write an order
24 that's impossible for you to comply with. And, by not
25 complying with the order, you are now held in contempt of

1 "Okay, I haven't reviewed the file, what's going on?" So
2 Chocklett mouthed off to him. And Stevens said, "Okay. You
3 know your client was ordered to be here. He is not here. I am
4 going to hold him in criminal contempt of court." And then,
5 you know, Stevens acknowledged at the beginning of the order,
6 if you look at it, on April 10th, he is saying, look, you know,
7 I wasn't there but, based on Chocklett's testimony, which is
8 oral testimony where he said, okay, another attorney told me
9 that he has received over four hundred thousand dollars in
10 proceeds since 2008 and he hides this money in his wife's bank
11 account, in his kids' bank accounts in order to avoid paying
12 all of his creditors, well, Judge Stevens used the illusory
13 language in that order. He specifically said, "Well, it
14 appears, based on what Chocklett is telling me, this is what is
15 going on, but I don't know because Mr. Jenkins isn't here for
16 me to question."

17 Now, on April 12th when we went back in court, Judge
18 Stevens said, "I reviewed this file. There was no order for
19 him to appear on the 10th. There was no order for him to
20 produce his wife's bank statements. But we are not addressing
21 any of the civil portion of this hearing because he filed BK."

22 Q. Why have you put all of the proceeds into your wife's
23 account; why don't you have a checking account?

24 A. I haven't had a bank account in years. For years
25 before Federated ever sued me, I didn't.

1 Q. Why?

2 A. There was no need for us to maintain two accounts. I
3 mean, the account is in her name and I am an authorized user of
4 the account. It is like, you know, I don't understand why
5 there is an order to produce bank records of all of your
6 lawsuit proceeds from 2008. I was never a plaintiff to a
7 lawsuit in 2008. What Chocklett did was he transposed my case
8 against Citibank where they sued me and I was a defendant in
9 2008, and then he went in there and said, oh, he goes and he
10 sues all of those creditors. I never sued a creditor of mine.
11 Not a single one of my lawsuits have been against any creditor
12 of mine.

13 Q. How much money do you think you have collected from
14 this list of lawsuits in recent years?

15 A. I believe I put down, the best I calculated, my cut
16 of the proceeds was about two hundred and thirty-five thousand
17 for the last two years because it's in here, from April 12th of
18 2010, roughly, to April 11th of this year or April 10th of this
19 year. Roughly around two hundred and thirty-five thousand, I
20 believe is my cut.

21 Q. Who else gets a cut?

22 A. Oh, there are legal fees involved. There is
23 LeLiever. There is another individual involved.

24 Q. Who?

25 A. A paralegal that LeLiever uses and he has gotten

1 proceeds which I believe LeLiever was ordered to produce an
2 accounting to you of the trust account and who is going to be
3 paid out of the trust.

4 Then also I paid him on my own under LeLiever's
5 supervision. I mean, you have seen my taxes. You know I have
6 got forty-seven thousand dollars in charitable contributions
7 that's documented. That doesn't account for what I have given
8 in cash. I have got over another fifty grand in legal fees,
9 you know, from my litigation with Federated and my other
10 lawsuits that's not part of LeLiever's accounting.

11 I have got - I have traveled back-and-forth to
12 California numerous times for a couple of reasons. My mom was
13 diagnosed with cancer, so I went back-and-forth to visit her.
14 Then also I received medical treatment in California. So I
15 have probably been back-and-forth at least ten times.

16 Q. Has Mr. LeLiever represented you in all of these
17 causes of actions that you have brought?

18 A. Since 2010, yes.

19 Q. And who did that before?

20 A. I was pro se in 2009 and then at some point in time
21 in 2009, Mr. Norman, Rick Norman was counsel before Mr.
22 LeLiever. And Federated Financial didn't even get a judgment
23 against me - a default judgment on a case that had already been
24 dismissed in 2010. They didn't get a final judgment until last
25 year. So I am confused by this let's go all the way back to

1 2008 and provide records. I had no judgment creditors back
2 then. I mean, why am I having to try and produce an
3 accounting. Nor do I have any lawsuit proceeds. And I have
4 always testified, you know, contrary to Chocklett's accusations
5 that I am hiding money, I have always said all of my income has
6 been deposited into my wife's account. It is a marital
7 account. I testified to that two years ago, over two years ago
8 at the deposition.

9 Q. When you collect funds from one of the entities that
10 you filed a cause of action against, settled or whatever,
11 monies come in to your attorney's trust account?

12 A. Right.

13 Q. And then it is disbursed out to you?

14 A. No, it is disbursed to my wife. He writes a check to
15 my wife and we deposit it into the marital fund. I mean, there
16 is nothing criminal or trying to hide anything. That's in the
17 settlement agreement.

18 Q. When he writes a check to your wife for distribution
19 of a settlement proceed, does he take his fees out?

20 A. Before.

21 Q. So he gives you the net?

22 A. Yes.

23 Q. And do you have a written agreement with him?

24 A. Yes.

25 Q. Do you have such an agreement?

1 A. With LeLiever?

2 Q. Do you have a copy of the agreement?

3 A. No, I have no copy with me at the moment.

4 Q. But do you have them in your records?

5 A. I will need to see what I can dig up. I know that
6 Cotten asked LeLiever for all of the agreements pertaining to
7 my litigation.

8 Q. Well, we picked up files at his office and there were
9 no agreements in what he was turning over to us. It was
10 noticeably absent. So are they all standard agreements?

11 A. No. I mean, when you say standard, some are
12 contingency and some are contracts.

13 Q. But there is an agreement for each cause of action?

14 A. Yes.

15 Q. For each case?

16 A. Yes.

17 Q. When it is a contingency, what is the typical
18 contingency?

19 A. His cut is around thirty-three percent and then
20 whatever other legal costs are involved are taken out.

21 Q. So he pays the paralegal and other costs and then
22 takes a third of that or he takes a third and then pays?

23 A. I believe he deducts the cost and takes a third after
24 cost and then pays the paralegal fees, whatever the associate
25 fees are and then what's remaining will be disbursed in a

1 check.

2 Q. Out of the two-thirds? He pays the legal fees out of
3 the two-thirds?

4 A. Yes.

5 Q. So he gets a third off of the top?

6 A. He gets a third off of the top, yeah.

7 Q. And if it is a contract basis, it is an hourly basis?

8 A. Yes.

9 Q. But he pays himself before he makes distributions?

10 A. Yes.

11 Q. To your knowledge, of all of the funds that he has
12 been involved in, the cases, is that where he has collected,
13 where there has been a settlement, has all of that been
14 disbursed?

15 A. Yes.

16 Q. Through the first quarter of the year, of this year?

17 A. Yes.

18 Q. Have you amended your schedules to show that he is
19 owed ninety-seven thousand dollars?

20 A. Yes.

21 Q. What is that?

22 A. That is from the contract work that he did for me
23 representing - that's a number of cases. It is representing me
24 on the first appeal in the state case against Federated;
25 representing me in the second appeal against Federated;

1 representing me as a defendant against Citibank last year in
2 their counterclaim filed against me; and then the Seattle
3 Service Bureau, the check you guys just got, he is entitled to
4 a portion of that.

5 Q. So that has been out there for a good long while?

6 A. What has?

7 Q. Those fees?

8 A. Yeah, they have been out for a while.

9 Q. Do you have any idea why he wouldn't have just paid
10 himself out of the fees that he has been disbursing to you,
11 just set it off?

12 A. As an offset? There is no way that I would be able to
13 live. I mean, being able to - (pause). I would not be able to
14 live. I mean -

15 Q. I understand what you are saying but he is in a
16 business and, you know, he is owed a hundred thousand dollars
17 and he is sitting there with monies that he has control over
18 that he could pay himself. Admittedly, it would probably
19 destroy your business relationship to do that but he would get
20 paid, and I am curious as to why he wouldn't do that.

21 A. Yeah, but there is no guarantee of a settlement. You
22 know, it is easy to go back after the fact and say that, well,
23 yeah, you know, there was money in an account that he could
24 have yanked out but it doesn't work like that, practically
25 speaking. I mean, there could be months and months before

1 there is a settlement and so, you know, if it was like one lump
2 sum, two hundred and thirty-five thousand dollars, yeah, you
3 know, take a cut out of it, but it doesn't work like that. It
4 is a little bit of money here, a little bit of money there, a
5 little bit of money here, a little bit of money there. To just
6 say, hey, man, I am going to go ahead and keep the entire
7 proceeds and you can pay me off, you're right, that is probably
8 not good business sense on his end.

9 Q. What do you think Mr. LeLiever was looking at down the
10 road that offered him any assurance that he was going to ever
11 get paid?

12 A. There is no assurance that he is ever going to get
13 paid but, I mean, he did - I guess you kind of look at it in
14 the sense of an equity sense that, by handling the cases that
15 I did give him, he at least got something rather than nothing.
16 I mean, I could have kept my cases and, you know, and kept
17 going, you know, *pro se*, and he would have gotten nothing but,
18 you know, you never can induce him. It is like, you know,
19 here, you can represent me in these cases and get your cut and
20 at least you get something and then maybe down the road if one
21 of my lawsuits, you know, if there is a larger settlement, then
22 I can work on trying to reduce some of the overall.

23 Q. Did you owe him the ninety-seven thousand, five
24 hundred dollars a year ago?

25 A. I don't know what the time frame is because the first

1 amount that I would have owed him would have been for doing the
2 first appeal in the Federated case. So I don't know what the
3 time frame was on that one. The second appeal was last year.
4 The defense in the Citibank case was last year.

5 Q. So what you are saying to me and to him is that I need
6 the money to live on and I will pay you when I can?

7 A. Yes.

8 Q. How do you justify the forty-seven thousand dollar
9 contribution to the church if you owed your lawyer a hundred
10 thousand?

11 A. (No response.)

12 Q. What do you say to him?

13 A. Well, Mr. LeLiever has been very accommodating as far
14 as having to, you know, work with me on my cases and things, so
15 -

16 Q. That didn't trouble him that -

17 A. I don't know. I can't speak for him. I don't know
18 whether it did or not.

19 Q. Are you a lawyer?

20 A. No.

21 Q. Do you have any legal training?

22 A. Yes.

23 Q. What is that? Where did you get that?

24 A. I am in law school.

25 Q. How long were you in law school?

1 Q. Well, certainly you would on *pro se*.

2 A. Right but, no, only on a complaint if I drafted one to
3 file on my own and LeLiever has come in after the fact but, no,
4 I don't draft anything. I am not qualified to really draft
5 anything on a claim.

6 Q. The documents that have been drafted and filed in the
7 bankruptcy court?

8 A. Yeah, those are mine.

9 Q. Those are yours?

10 A. Well, yeah, but there is only one. It is just my
11 opposition to GC Services when Karen wanted to do a debtor's
12 exam of me and she is a possible judgment debtor. She has no
13 right to depose me as a creditor. Yeah, I did some research on
14 that.

15 Q. You have a set of law books at home or do you -

16 A. I have a Pacer account and a LEXIS account.

17 Q. The two hundred and thirty - I apologize for bouncing
18 around here but the two hundred and thirty-five thousand
19 lawsuit proceeds we determined was net of collection cost?

20 A. Those were my - those were proceeds disbursed to me.

21 Q. Disbursed to your wife?

22 A. Yeah, to my wife.

23 Q. Is your understanding of banking laws that a check
24 payable to you could be deposited in your wife's account; would
25 that -

1 A. If a check was made out to me, it could be deposited
2 into my wife's bank account to the extent that I am an
3 authorized user.

4 Q. And you are an authorized user?

5 A. I am an authorized user of that account, yes.

6 Q. So why does Mr. LeLiever make the checks payable to
7 your wife; why aren't they payable to you? She is not a party
8 to any of these.

9 A. Actually a couple of the settlements, if they were
10 joint settlements to where the defendants required that she
11 sign, can be a part of the settlement agreement.

12 Q. But that's not all of them?

13 A. No.

14 Q. But all of the disbursements are made payable to her?

15 A. Uh-huh.

16 Q. Why is that?

17 A. I have never considered - I don't know the answer to
18 that question.

19 Q. In fact, it will be a question to Mr. LeLiever is how
20 is he - why is he releasing trust funds to a party who is not
21 a party to the settlement.

22 A. I believe he inquired as to that with the state bar
23 and he is allowed to disburse settlement funds to whomever the
24 funds are entitled to or they can dictate who the funds get
25 disbursed to. So, for example, if I wanted to - say, for

1 numbers.

2 Q. You have filed all of your tax returns for all of
3 those periods, right?

4 A. Yes, you have them or Cotten has them.

5 Q. I have '10.

6 A. 2010 and 2011.

7 Q. And '11. I don't have 2009. You were in law school
8 for a year?

9 A. Yes.

10 Q. Three quarters, whatever. Is it quarters, semester?

11 A. It is in California. No, they don't have semesters.
12 They are quarters, so a year.

13 Q. You don't have a salaried job?

14 A. No.

15 Q. When did you last have a salaried job?

16 A. I have never had a salary but, as far as earning
17 income, I was with Brothers Air and Heat in 2008.

18 Q. Well, salaried, hourly pay --

19 A. I haven't been employed by anyone since 2008.

20 Q. Okay.

21 A. Which is why I got foreclosed on and had a vehicle
22 repossessed.

23 Q. You have never owned any real estate in your name;
24 have you?

25 A. No. We owned - wait a minute, excuse me. The